

COMPANY REGISTRATION NUMBER 3011757

ADMENTA UK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2011



ADMENTA UK PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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ADMENTA UK PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors have pleasure in presenting their annual report and the audited financial statements of the company for the year ended 31 December 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity during the year was to act as a holding company of a group of companies involved in the wholesaling and retailing of pharmaceutical products

The pharmaceutical wholesale and retail markets continue to be highly competitive. With the strategies adopted by the subsidiaries the directors believe the performance of and prospects of the company's investments is considered to be satisfactory. Accordingly the directors are satisfied with the result for the year and anticipate an acceptable future performance.

Principal risks and uncertainties

The key business risk to the investment activity of the company is the performance of its investments. The management of the subsidiaries and the execution of their strategies are subject to a number of key risks. Mr James and Mr Beer are also directors of AAH Pharmaceuticals Limited, the main trading entity of the wholesale division. Mr Page was and Mr Willetts is also directors of Lloyds Pharmacy Limited, the main trading entity of the retail division. Risks are formally reviewed by the boards of these entities and appropriate processes are put in place to monitor and mitigate them.

The company is exposed to a variety of financial risks, which include liquidity, foreign currency and interest rate risk. The company has employed a programme that seeks to manage and limit any adverse effects of these risks on the financial performance of the company, which are described in more detail below.

The directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board, although use is made of a central treasury function which arranges the overall funding requirements of the Admenta UK Plc group. This central function operates within a framework of clearly defined policies and procedures which have been approved by the directors, and reports to the board on a monthly basis. The policies approved by the board of directors are implemented by the company's finance department and the central treasury function. The policies cover funding and hedging instruments, exposure limits and a system of authority for the approval and execution of transactions.

Liquidity risk the company participates in the banking arrangements of the UK group, which are arranged with the assistance of the central treasury function. The UK group funds its operations through a mix of retained earnings, borrowings and leasing that is designed to ensure that the company has sufficient funds for its day to day operations and other activities. Cash flow requirements are monitored through rolling projections which are compiled across the group.

Foreign currency and interest rate risk the subsidiaries affected by foreign currency risk use instruments to manage this risk. The company also has both interest bearing assets and liabilities, these being managed within the UK group.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

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DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

Treasury risk management

The company has used derivatives within its borrowing agreements to manage interest rate risk arising from its sources of finance. It is, and has been throughout the year, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The group treasury committee reviews and agrees the management of these risks.

RESULTS AND DIVIDENDS

The profit for the financial year amounted to £79,331,000 (2010 £72,817,000). Particulars of dividends paid are detailed in note 9 to the financial statements.

DIRECTORS

The directors who served the company during the year and up to the date of this report are as follows:

A J Willetts	
M James	
S Anderson	(Appointed 22 March 2012)
A Page	(Appointed 21 February 2011 and resigned 24 January 2012)
T Beer	(Appointed 1 November 2011)
W Shepherd	(Appointed 1 August 2011)
P Smerdon	(Resigned 1 August 2011)
C Tomaszewski	(Resigned 31 October 2011)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Liability insurance, a qualifying third party indemnity provision for the purposes of the Companies Act 2006 is provided for the UK directors by Franz Haniel & Cie GmbH, the ultimate controlling party. This was in force during the year and also on the date of approval of the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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DIRECTORS' REPORT *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved under Section 418 of the Companies Act 2006, the following applies:

- in so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A J Willetts
Director

Approved by the directors on 27 April 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADMENTA UK PLC

We have audited the financial statements of Admenta UK Plc for the year ended 31 December 2011 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADMENTA UK
PLC** *(continued)*

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mike Robinson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Milton Keynes

2 May 2012

ADMENTA UK PLC

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £000	2010 £000
Administrative expenses		(64)	(104)
OPERATING LOSS	2	(64)	(104)
Income from shares in group undertakings	5	120,000	100,000
Interest receivable and similar income	6	5,055	4,899
Interest payable and similar charges	7	(60,323)	(42,549)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		64,668	62,246
Tax on profit on ordinary activities	8	14,663	10,571
PROFIT FOR THE FINANCIAL YEAR	17	79,331	72,817

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the financial years as set out above and therefore no separate statement of total recognised gains and losses has been prepared

There is no material difference between the results above and the results on an unmodified historical cost basis

The notes on pages 8 to 17 form part of these financial statements.

ADMENTA UK PLC

BALANCE SHEET

31 DECEMBER 2011

	Note	£000	2011 £000	2010 £000
FIXED ASSETS				
Investments	10		<u>1,303,100</u>	<u>1,303,100</u>
CURRENT ASSETS				
Debtors	11	6,968		4,653
CREDITORS: Amounts falling due within one year	12	<u>(892,314)</u>		<u>(849,330)</u>
NET CURRENT LIABILITIES			<u>(885,346)</u>	<u>(844,677)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>417,754</u>	<u>458,423</u>
CAPITAL AND RESERVES				
Called up share capital	16		400,050	400,050
Profit and loss account	17		<u>17,704</u>	<u>58,373</u>
TOTAL SHAREHOLDERS' FUNDS	18		<u>417,754</u>	<u>458,423</u>

These financial statements on pages 6 to 17 were approved by the board of directors and authorised for issue on 27 April 2012, and were signed on its behalf by



A J Willetts
Director

Company Registration Number 3011757

The notes on pages 8 to 17 form part of these financial statements

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Set out below is a summary of the more important accounting policies, which have been applied consistently except where stated otherwise

Going concern

The company relies on its parent company, Celesio AG, for financial support. The financial statements of Admenta UK Plc have been prepared on the going concern basis which assumes that the company will continue in existence for the foreseeable future. A facility of £700m (2010 £700m) is made available to Admenta UK Plc by another group company, Celesio Finance B V. The parent company continues to instruct Celesio Finance B V to provide this on-going support and the directors have received written confirmation from the directors of Celesio Finance B V that this support remains in place.

Consolidated financial statements

The financial statements contain information about Admenta UK Plc as an individual company, rather than consolidated information as the parent of the group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare group financial statements as its results are included by full consolidation in the financial statements of its ultimate parent, Franz Haniel & Cie GmbH, a company incorporated in Germany.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) – “Cash flow statements” from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Swap agreements

Interest adjustments receivable or payable under interest rate swap agreements are credited or charged to the profit and loss account for the period of account in which they accrue. Other amounts receivable or payable in connection with such agreements are also credited or charged to the profit or loss account on an accruals basis, being an apportionment of the amount received or paid, over the remaining term of the company's rights or obligations under the agreement.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Deferred tax liabilities are provided in full but deferred tax assets are recognised only to the extent it is considered more likely than not that the associated tax deduction can be utilised on their reversal. Deferred tax liabilities and assets are not discounted.

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

Pension costs and other post-retirement benefits

The company operates several pension schemes, one of which is a defined benefit and two defined contribution. All schemes are funded and constituted as independently administered funds with their assets being held separately from those of the company. The net liabilities under the defined benefit pension scheme are included in the balance sheets of Lloyds Pharmacy Limited and AAH Pharmaceuticals Limited. The expected return on pension scheme assets and interest costs are included within net finance income and actuarial gains and losses are included within the statement of total recognised gains and losses of Lloyds Pharmacy Limited and AAH Pharmaceuticals Limited.

Investments

Shares in group companies are shown at historic cost less any necessary write down for impairment. The basis for any impairment is by reference to the net asset value of the investment.

Financial instruments

The company has adopted the presentation requirements of FRS 25 – “Financial instruments disclosure and presentation” and the disclosure requirements on financial instruments in the Companies Act 2006. Financial instruments are treated as equity instruments if the instrument includes no contractual obligations to deliver cash or another financial asset to another entity or to exchange financial liabilities with another entity under conditions that are potentially unfavourable to the issuer. All other financial instruments are treated as financial liabilities.

2. OPERATING LOSS

Operating loss is stated after charging

	2011 £000	2010 £000
Auditor's remuneration		
- as auditor	—	—

Auditor's remuneration of £4,000 (2010: £4,000) has been borne by Lloyds Pharmacy Limited, a fellow group company and not recharged. No non-audit services have been provided by the auditors during the year (2010: nil).

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

3. DIRECTORS' EMOLUMENTS

The emoluments of Mr Page were and Mr Willetts are paid by a fellow group company, Lloyds Pharmacy Limited, which makes no recharge to the company Mr Page was and Mr Willetts is a director of a number of fellow group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of these companies Accordingly no emoluments in respect of these directors are disclosed The directors' emoluments are included in the aggregate of the directors' emoluments disclosed in the financial statements of Lloyds Pharmacy Limited

The emoluments of Mr Tomaszewski were and of Mr James and Mr Beer are paid by a fellow group company, AAH Pharmaceuticals Limited, which makes no recharge to the company Mr Tomaszewski was and Mr James and Mr Beer are directors of a number of fellow group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of these companies Accordingly no emoluments in respect of these directors are disclosed The directors' emoluments are included in the aggregate of the directors' emoluments disclosed in the financial statements of AAH Pharmaceuticals Limited

Mr Shepherd is paid by and is an employee of a fellow group company Lloyds Pharmacy Limited Lloyds Pharmacy Limited do not recharge any salary costs in relation to services provided as a director of Admenta UK Plc and therefore no emoluments are disclosed

4. PARTICULARS OF EMPLOYEES

The company had no employees during the year, other than executive directors (2010 none)

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2011	2010
	£000	£000
Income from group undertakings	<u>120,000</u>	<u>100,000</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£000	£000
Interest from group undertakings	<u>5,055</u>	<u>4,899</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£000	£000
Group interest payable	34,659	27,505
Other similar charges	25,664	15,044
	<u>60,323</u>	<u>42,549</u>

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of credit in the year

	2011 £000	2010 £000
Current tax		
UK Corporation tax based on the results for the year at 26.5% (2010: 28%)	(14,663)	(10,571)
Total current tax	<u>(14,663)</u>	<u>(10,571)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower (2010: lower) than the standard rate of corporation tax in the UK of 26.5% (2010: 28%). The differences are explained below:

	2011 £000	2010 £000
Profit on ordinary activities before taxation	<u>64,668</u>	<u>62,246</u>
Profit on ordinary activities before taxation multiplied by the standard rate of tax of 26.5% (2010: 28%)	17,137	17,429
Effects of: Dividends receivable from subsidiaries	(31,800)	(28,000)
Total current tax (note 8(a))	<u>(14,663)</u>	<u>(10,571)</u>

(c) Changes to the UK corporation tax system

In addition to the changes in rates of Corporation tax disclosed above, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The effect of the change of rate enacted on 26 March 2012 is not expected to have a material effect on the balance sheet of the company.

9. DIVIDENDS

	2011 £000	2010 £000
Paid during the year		
Interim paid 2011: £0.30 per share (2010: £0.25 per share)	<u>120,000</u>	<u>100,000</u>

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

10. INVESTMENTS

	Total
	£000
COST	
At 1 January 2011 and 31 December 2011	<u>1,303,100</u>
NET BOOK VALUE	
At 31 December 2011 and 31 December 2010	<u>1,303,100</u>

The principal subsidiary companies are listed below

Subsidiary	Country of Registration	Class of capital	% held
AAH Limited	England and Wales	25p ordinary shares	100
Lloyds Chemists Limited	England and Wales	5p ordinary shares	100
AAH Twenty Six Limited	England and Wales	£1 ordinary shares	100
AAH Twenty Seven Limited	England and Wales	£1 ordinary shares	100
Celesio Manufacturer Solutions UK Distributors Limited	England and Wales	£1 ordinary shares	100

The principal activity of AAH Limited during the year was to act as a holding company of various subsidiaries. The principal activities of these subsidiaries are the wholesale of pharmaceutical products and the operation of retail pharmacies.

The principal activity of Lloyds Chemists Limited during the year was to act as a holding company of various dormant companies.

AAH Twenty Six Limited, AAH Twenty Seven Limited and Celesio Manufacturer Solutions UK Distributors Limited were dormant throughout the year.

The directors consider that the aggregate value of the company's shares in its group undertakings is not less than the aggregate of the amounts at which its shares are included in the company's balance sheet.

11. DEBTORS

	2011	2010
	£000	£000
Corporation tax repayable	<u>6,968</u>	<u>4,653</u>

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

12. CREDITORS: Amounts falling due within one year

	2011 £000	2010 £000
Bank overdrafts	–	1
Amounts owed to group undertakings	891,327	846,869
Accruals	987	2,460
	<u>892,314</u>	<u>849,330</u>

Intercompany balances are on a revolving credit facility of up to five years but can be repaid upon request by Admenta UK Plc. Of the amounts owed to group undertakings, £236,000,000 (2010 £236,000,000) represents interest free loans, the remainder attract interest based on the Euro OverNight Index Average rate

13. DERIVATIVES

Admenta UK Plc has five interest rate swaps (eight in 2010) with terms ranging between 1 and 11 years. The swaps cover a total borrowing of £210m (2010 £310m), where the difference between the fixed rate and the 6 month LIBOR generates a payment or receipt to Admenta UK Plc. For 2011 this totalled a payment of £25,664,000 (2010 payment £15,044,000)

14. DEFERRED TAXATION

The company had no liability for deferred taxation at 31 December 2011 (2010 £nil)

15. RELATED PARTY TRANSACTIONS

The company has not disclosed transactions with fellow group companies which are 100% owned, in accordance with the exemption under the terms of Financial Reporting Standard 8 – ‘Related party disclosures’

16. CALLED UP SHARE CAPITAL

Authorised share capital:

	2011 £000	2010 £000
Ordinary shares of £1 each	<u>400,100</u>	<u>400,100</u>

Allotted, called up and fully paid:

	2011 No	£000	2010 No	£000
Ordinary shares of £1 each	<u>400,050,000</u>	<u>400,050</u>	<u>400,050,000</u>	<u>400,050</u>

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

17. PROFIT AND LOSS ACCOUNT

	£000
Balance brought forward	58,373
Profit for the financial year	79,331
Dividends paid (note 9)	(120,000)
Balance carried forward	17,704

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £000	2010 £000
Profit for the financial year	79,331	72,817
Dividends paid (note 9)	(120,000)	(100,000)
Net reduction to shareholders' funds	(40,669)	(27,183)
Opening shareholders' funds	458,423	485,606
Closing shareholders' funds	417,754	458,423

19. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined benefit pension scheme in the UK which covers a small number of the Admenta UK Plc subsidiary employees. The full disclosure of the pension obligations is shown below with the specific FRS 17 – “Retirement benefits” deficit allocation reflected in the financial statements of Lloyds Pharmacy Limited and AAH Pharmaceuticals Limited. The balances are not reflected in these financial statements but are disclosed in the individual entity’s financial statements as appropriate. An actuarial valuation was carried out as at 6 April 2011 and updated to 31 December 2011 by a qualified independent actuary.

The major assumptions used by the actuary were

	2011 %	2010 %	2009 %
Discount rate	4.70	5.40	5.40
Inflation assumption	2.80	3.40	3.50
Rate of increase in salaries	3.80	4.40	4.50
Expected return on scheme assets	4.99	5.57	6.02
Pension increases linked to price inflation subject to a maximum of 5% p a	2.70	3.30	3.50
The assumed life expectancies on retirement at age 65 are			
Current pensioners			
Male aged 65	87.2	86.6	86.5
Female aged 65	88.1	89.0	88.9
Future pensioners			
Male aged 45	89.0	88.5	88.4
Female aged 45	90.7	90.8	90.7

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

19. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *(continued)*

The scheme has a range of different pension-increases-for different benefit categories, not-all-of which are detailed above. Further details of the various rates of pension increases can be found in the scheme documentation.

The group contributions during the year amounted to £11,080,000 (2010 £8,838,000) and the agreed company contribution rate for the coming year is 18.2% pa of pensionable salaries plus £10,161,000 (2010 18.2% pa of pensionable salaries plus £10,161,000). The estimated contributions to be paid to the scheme by the company next year is £11,080,000. Expenses and levies to the Pension Protection Fund are included in these contributions.

The scheme is closed to new entrants so the average age of the membership is expected to increase over time. The projected unit method is used to calculate the current service cost. This calculates the value of the following years' pension accrual and expresses it as a percentage of pensionable pay. This percentage increases as the members of the scheme approach retirement.

The fair value of the scheme assets, the present value of the scheme liabilities and the resulting deficit are

	2011 £000	2010 £000	2009 £000
Equities	27,970	25,418	33,472
Bonds	115,855	109,785	78,741
Property	7,876	7,377	9,025
Absolute return fund	24,396	23,173	29,348
Others	3,163	3,664	528
Total market value of assets	179,260	169,417	151,114
Present value of scheme liabilities	(211,061)	(197,091)	(186,186)
Present value of unfunded scheme liabilities	—	—	—
Present value of funded scheme liabilities	(211,061)	(197,091)	(186,186)
Deficit in the scheme	(31,801)	(27,674)	(35,072)
Related deferred tax asset	9,950	7,472	9,820
Net pension liability	(23,851)	(20,202)	(25,252)

There are no company related investments included in the fair value of assets.

The overall expected return on assets is calculated as the weighted average of the expected returns on each individual asset class. The expected returns for each asset class have been set with reference to market yields and include an allowance for expenses.

The actual return on scheme assets are

	2011 £000	2010 £000
Actual return on scheme assets	8,050	18,183

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

19. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *(continued)*

Reconciliation of the present value of the scheme liabilities is shown below

	2011 £000	2010 £000
At 1 January	197,091	186,186
Service cost	1,123	1,104
Interest cost	10,643	10,396
Members' contributions	148	147
Actuarial loss on scheme liabilities	11,491	8,123
Benefits paid	(9,435)	(8,865)
At 31 December	211,061	197,091

Reconciliation of the fair value of scheme assets is shown below

	2011 £000	2010 £000
At 1 January	169,417	151,114
Expected return on scheme assets	9,486	9,092
Actuarial (loss)/gain on scheme assets	(1,436)	9,091
Contributions by the company	11,080	8,838
Members' contributions	148	147
Benefits paid	(9,435)	(8,865)
At 31 December	179,260	169,417

The amounts recognised in the profit and loss account are as follows

	2011 £000	2010 £000
Current service cost	1,123	1,104
Interest cost	10,643	10,396
Expected return on pension scheme assets	(9,486)	(9,092)
Total charge	2,280	2,408

ADMENTA UK PLC

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

FOR THE YEAR ENDED 31 DECEMBER 2011

19. PENSIONS AND OTHER POST-RETIREMENT BENEFITS *(continued)*

The amounts recognised in the statement of total recognised gains and losses (STRGL) within Lloyds Pharmacy Limited and AAH Pharmaceuticals Limited are as follows

	2011 £000	2010 £000
Actuarial (loss)/gain	(12,927)	968
Effect of the limit on the net asset to be recognised	—	—
Actuarial (loss)/gain recognised in STRGL	(12,927)	968
Cumulative loss recognised in STRGL	(43,362)	(30,435)

A history of assets, liabilities and actuarial gains and losses is shown below

	2011	2010	2009	2008	2007
Present value of scheme liabilities (£000)	(211,061)	(197,091)	(186,186)	(163,430)	(180,402)
Fair value of scheme assets (£000)	179,260	169,417	151,114	137,676	173,277
Deficit (£000)	(31,801)	(27,674)	(35,072)	(25,754)	(7,125)
Difference between the expected and actual return on scheme assets					
- amount (£000)	(1,436)	9,091	11,262	(40,117)	(10,612)
- % of scheme assets	(1)	5	7	(29)	(6)
Experience profits/(losses) on scheme liabilities					
- amount (£000)	1,064	(1,433)	1,951	(1,039)	(93)
- % of the present value of scheme liabilities	1	(1)	1	(1)	—

The values of the assets at 31 December 2011, 31 December 2010 and 31 December 2009 and December 2008 have been taken at bid value. Corresponding amounts for previous periods have been taken at mid-value and have not been restated.

20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Celesio AG, a company registered in Germany. The company's ultimate parent undertaking and controlling party is Franz Haniel & Cie GmbH, a company registered in Germany, by virtue of its majority shareholding in the intermediate parent Celesio AG and its consolidation of the Celesio AG Group results into its own consolidated financial statements.

Consolidated financial statements for the largest group of undertakings are prepared by Franz Haniel & Cie GmbH and may be obtained from Franz Haniel Platz 1, D-47119 Duisburg, Ruhrort, Germany.

Consolidated financial statements for the smallest group of companies are prepared by Celesio AG and may be obtained from Celesio AG, Neckartalstrasse 155, D-70376 Stuttgart, Germany.